

Abstract

A transactional tax settlement system for use with a personal communication device is provided. The system has particular usefulness in determining a taxing authority and calculating a tax rate imposed by the taxing authority in a communication network environment. The system may be used to determine a tax authority and corresponding tax rate for a buyer/seller transaction over a network, e.g., the Internet. The system may also be used to determine a tax authority and corresponding tax rate in a mobile telecommunications network, e.g., a cellular phone. The system includes a tax information system for determining the taxing authorities and corresponding tax rates by evaluating factors pertaining to the transaction such as, location, tax status, and transaction description. In addition, the tax information system may validate a payment modality, collect taxes, and account for the transaction.